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U.S. Supreme Court Ruling Should Not Impact Georgia's Direct Wine Shipping Statutes

ATLANTA – The recent United States Supreme Court ruling that strikes down laws prohibiting Michigan and New York residents from buying wine directly from out-of-state wineries should not impact Georgia's laws regarding direct wine shipments.

"Based on advice from our counsel in the State Attorney General's office, we do not believe Georgia's laws governing direct shipments of wine from out-of-state wineries to State residents will be impacted by the ruling," said Georgia Revenue Commissioner Bart L. Graham.

In a 5-4 decision, the Court said laws in New York and Michigan that make it a crime for residents to buy wine directly from wineries located outside their state and have it shipped into their state were "discriminatory and anticompetitive." The two states allowed direct shipments of wine from in-state wineries to their residents.

"If a state chooses to allow direct shipments of wine, it must do so on evenhanded terms," Justice Anthony Kennedy wrote for the majority.

Georgia law allows an out-of-state winery that has been issued a Special Order Shipping License by the Department of Revenue to ship up to 50 cases of wine of one brand or a combination of brands directly to consumers in the State during a calendar year.

Consumers are limited to five cases of wine from any one Special Order Shipping Licensee during a calendar year. However, there is no limit on the number of wineries, so licensed, that a consumer can receive wine from during the year.

The winery must require that the person placing the order state affirmatively that he or she is 21 years old and each shipment must be clearly marked "Alcoholic Beverages, Adult Signature Required."

Georgia law does not allow direct shipment of wine from in-state wineries to State residents unless the resident is physically present at the winery when the purchase is made.

When a Georgia resident is physically on a winery's premises (either in-state or out-of-state), he or she can purchase up to five cases of wine while at the winery and have it shipped to their Georgia residence. The winery is not required to have a Special Order Shipping License, but it must verify that the consumer is 21 years of age or older and the winery cannot ship more than five cases to any one consumer or address in a calendar year.

Special Order Shipping Licenses are limited to out-of-state wineries that are not affiliated with a licensed Georgia wholesaler. The licenses are good for one calendar year and cost \$50. The Revenue Department has issued 71 licenses in 2005.

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